

**Opening Statement of the Honorable Mary Bono Mack**  
**Subcommittee on Commerce, Manufacturing, and Trade**  
**Hearing on "Where the Jobs Are: Employment**  
**Trends and Analysis"**  
**February 15, 2012**  
*(As Prepared for Delivery)*

Last year, when I became chairman of this subcommittee, I encouraged my colleagues to join me in an effort to make "Made in America" matter again.

Well today, we're actually starting to see a renaissance, of sorts, in manufacturing – with companies like Caterpillar, General Motors, Master Lock, Sauder Furniture, General Electric, Ford and many other companies all bringing jobs back to the United States. But is this trend sustainable or will jobs return to America in "dribs and drabs" instead of droves? This is the first in a series of hearings we will hold this year, looking closely at ways to stimulate job creation and economic opportunities.

I believe we have a window of opportunity – but it could close on us quickly if we don't take action. China's overwhelming manufacturing cost advantage over the United States is shrinking fast. Within five years, a Boston Consulting Group analysis concludes that rising Chinese wages, higher U.S. productivity, a weaker dollar, increased Trans-Pacific shipping costs and a variety of other factors will virtually close the cost gap between the U.S. and China for many goods consumed in North America.

This is our chance – in fact, the best chance we've had in decades – to make "Made in America" matter again. But to be successful, we must remove the roadblocks and barriers businesses are facing today when it comes to job creation. Embracing tax reform, regulatory reform, and tort reform are just some of the things Washington can do to help jumpstart real job growth in America.

Here's the good news: data issued by the Bureau of Labor Statistics shows a recent uptick in monthly job creation, with the jobless rate declining to 8.3 percent. Now here's the bad news. To date, we have had 36 straight months of unemployment above 8 percent – the longest such streak since the Great Depression. Today, too many people are still hurting. That's why we need to work closely together to create forward-looking policies which will create economic growth in America – not stifle it.

Clearly, the lack of job opportunities remains a dark, ominous cloud over Main Street, U.S.A., with the average duration of unemployment for job seekers lasting more than 40 weeks.

The bottom line: unemployment today remains stubbornly and unacceptably high, with nearly six million more unemployed workers right now than there were just prior to the beginning of the recession in 2007.

Additionally, many economists suggest this number does not, in fact, represent the true unemployment rate. After factoring in the number of people who are under-employed – such as part-time workers in search of full-time employment – and those who have completely given up hope and exited the job market all together, the Bureau of Labor Statistics reports the "effective" unemployment rate stands at a staggering 15.1 percent.

What's more – in comparison to recent recessions—the rate of our job recovery this time is much weaker, too. For instance, at a comparable point of the recovery from the 1981-to-1982 recession, the U.S. economy had added 6.2 million jobs above pre-recession levels, a growth of 6.8 percent.

Yet while the U.S. economy added nearly 2 million jobs over the past year, the employment level today reflects a net loss – with America's non-farm workforce approximately 4 percent below pre-recession levels.

Today, industry experts are divided and see things differently when gazing into their crystal balls. The Boston Consulting Group, which has a representative testifying before us today, projects the United States has the potential to add up to 3 million new jobs in the manufacturing sector alone over the next decade. The chief factor in support of this upbeat forecast is the decreasing cost advantage of manufacturing in China due to the rapid rise in Chinese wages.

On the other hand, a study recently conducted by the Harvard Business School involving nearly 10,000 graduates reveals a more pessimistic view: a sense that America has a "deepening competitiveness problem." At the heart of this viewpoint is a sense that our nation is falling behind in fostering an environment conducive to job creation.

The U.S. tax code, an uncertain political environment, a burdensome and sometimes unpredictable regulatory and legal framework, a declining education system, and the lack of a skilled workforce were cited as contributing factors to this dreary assessment.

So, as we examine the data and analyze the trends, is the glass half full or half empty when it comes to our future? While I'm a big Clint Eastwood fan, I don't buy the idea that it's halftime in America. I think we're in the fourth quarter...we're trailing in the game...and we need to drive the length of the field to win.

That will take great teamwork and a smart game plan. But working together – and for the good of all Americans – I know that we can do it.

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